



GOVERNMENT OF INDIA
TARIFF COMMISSION

REPORT
ON
The Continuance of Protection to
the Calcium Lactate Industry

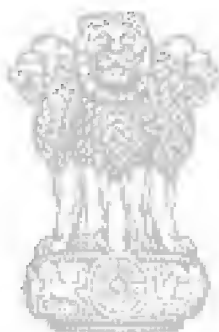
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Continuance of Protection to the
Calcium Lactate Industry 1960



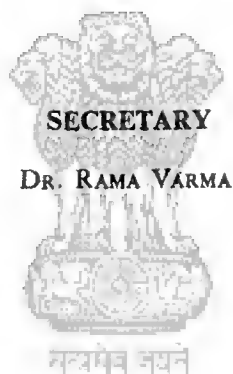
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PANEL FOR THE INQUIRY

DR. S. K. MURANJAN
SHRI J. N. DUTTA
SHRI R. S. BHATT



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY

New Delhi, the 28th July, 1960.

RESOLUTION

Tariffs

No. 37(1)-T.R./60.—The Tariff Commission has submitted its Report on the continuance of protection to the Calcium Lactate Industry on the basis of an inquiry undertaken by it under the provisions of Section 11(e) read with Section 13 of the Tariff Commission Act, 1951. The Commission has recommended that protection to the Calcium Lactate Industry need not be continued beyond the 31st December, 1960. Government accept this recommendation and the necessary legislation will be undertaken in due course to deprotect the Calcium Lactate industry with effect from the 1st January, 1961.

ORDER

ORDERED that a copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

नमो भगवते वासुदेवाय

K R F. KHILNANI,
Joint Secretary to the Government of India.

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REPORT ON THE CONTINUANCE OF PROTECTION TO THE CALCIUM LACTATE INDUSTRY

1. The first inquiry into the claim of the calcium lactate industry to protection or assistance was held by the Tariff Board in 1950 as part of an inquiry into certain fine chemicals.

History of Protection In accordance with the Board's recommendation protection was granted to the calcium lactate industry upto 31st December 1953 by conversion of the then existing revenue duties of 36 per cent. *ad valorem* standard and 26 per cent. *ad valorem* preferential into protective duties at the same rates. Under the Finance Act of 1951, the levy of a surcharge of 5 per cent. raised the protective duty on calcium lactate to 37.8 per cent. *ad valorem* standard and 27.3 per cent. *ad valorem* preferential. After the second inquiry held by the Commission in 1953, protection was continued at the same rates of duty upto 31st December 1956. Towards the end of 1955, the Commission undertook an inquiry into the progress of this industry under Section 15 of the Tariff Commission Act, 1951 and a report was submitted to Government in early 1956. By the Indian Tariff (Amendment) Act, 1956, protection granted to this industry was extended, in consultation with the Commission, upto 31st December 1957. As a result of the third inquiry held in January 1957 protection at the same rates of duty was continued upto 31st December 1960. By the Finance (No. 2) Act of 1957 the effective rates of protective duty on calcium lactate were raised to 40 per cent. *ad valorem* standard and 30 per cent. *ad valorem* preferential. The present inquiry has been undertaken under Section 11(e) read with Section 13 of the Tariff Commission Act, 1951 to review the protection enjoyed by the industry with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

2.1. Questionnaires were issued to producers, importers and consumers of calcium lactate in December 1959. A press note was issued on 5th December 1959 inviting firms, persons or associations interested in the calcium lactate industry to obtain copies of the relevant questionnaires and to submit their replies. A memorandum on the progress and present position of the industry was invited from the Development Wing. Memoranda on the present position of the industry were also called for from the State Governments of Bombay and West Bengal. Other State Governments were also requested to communicate their views in case they were interested in the inquiry either as producers or as consumers of calcium lactate. The Collectors of Customs at the principal ports were requested to furnish information regarding c.i.f. prices and landed costs of the imported products. The Drugs Controller, Government of India, the Director, Central Drug Research Institute and the Directors of Drugs Control Administrations in the States of Bombay and West Bengal were requested to furnish their

views on the quality of indigenous product. A list of those to whom questionnaires and letters were issued and from whom replies or memoranda were received is given in Appendix I.

2.2. Shri J. N. Dutta, Member, visited the factory of Calcutta Chemical Co. Ltd., Calcutta on 16th November 1959 and Dr. S. K. Muranjan, Member visited it on 17th March 1960. Shri R. S. Bhatt, Member visited the factory of Sarabhai Chemicals, Baroda on 25th January 1960. Shri U. R. Padmanabhan, Cost Accounts Officer visited the factory of Sarabhai Chemicals, on 29th December 1959 and examined the costs of production of calcium lactate manufactured by it. A public inquiry into the industry was held on 25th March 1960. A list of persons who attended the inquiry is given in Appendix II.

3.1. We set out below the extent to which the recommendations made in our last report on matters other than tariffs have been implemented.

Implementation of the Commission's recommendations made in its report (1957) on matters other than tariffs.

3.2. Recommendation 1.

"Careful watch should be maintained on the volume of abnormally cheap imports at present coming into the country from some sources, and if at any time the industry finds that its competitive position in the domestic market is seriously threatened by such imports, it may apply for a review of the scheme of protection."

As a result of the import control policy, imports were restricted. In 1958 imports of calcium lactate amounted to 11.75 tons against the country's estimated requirements of 75 tons. In 1959 imports of calcium lactate were negligible at 0.25 tons. In view of the severe restrictions on imports, the industry had no occasion to apply for a review of the scheme of protection.

3.3. Recommendation 2.

"The Central and State Governments should purchase indigenous calcium lactate to meet their entire requirements provided the producers maintain the necessary standard of quality and charge reasonable prices. While determining the reasonableness or otherwise of prices charged by the domestic manufacturers, the abnormally low prices at present quoted for imports from certain sources should not be adopted as a standard of comparison."

The Director General of Supplies and Disposals, New Delhi, has informed/us that his office was concluding rate contracts for supply of indigenous calcium lactate. About 12,400 lbs. of calcium lactate were purchased by the Direct Demanding Officers and they were satisfied with the quality of the product. The Director of Industries, Bombay State has reported that the policy of the State Government has been to purchase indigenous calcium lactate for its own requirements.

3.4. Recommendation 3.

"Sarabhai Chemicals should mark its product as conforming to the I. P. specifications only, until it is able to attain strict conformity with the B. P. specifications as well."

The firm has reported that with effect from 1st July 1958 it has been marking its product as conforming to the I. P. specifications only.

4.1. At the time of the last inquiry in 1957, there were three units engaged in the manufacture of calcium lactate, namely (i) Sarabhai Chemicals Baroda, (ii) Calcutta Chemical Co. Ltd., Calcutta and (iii) Alembic Chemical Works Co. Ltd., Baroda. Calcutta Chemicals and Alembic Chemicals were not producing calcium lactate on a commercial scale. In connection with the present inquiry, we have been informed that Alembic Chemicals has not yet resumed production on a commercial scale. At present, therefore, Sarabhai Chemicals and Calcutta Chemicals are the only two producers of calcium lactate in the country. Since the last inquiry the industry has made considerable progress. Both units are engaged in the manufacture of a large variety of drugs, pharmaceutical products and fine chemicals and the production of calcium lactate represents only one per cent. in value of the total turnover of Sarabhai Chemicals and a fraction of the total sales of Calcutta Chemicals. The major unit Sarabhai Chemicals has raised its capacity from 72 tons to 132 tons per annum which was 36 tons more than the projected expansion of 96 tons as originally envisaged. Both units have now diversified their production, by converting calcium lactate into calcium sodium lactate and calcium lactophosphate. The average number of workers employed in the department of calcium lactate by Sarabhai Chemicals increased from 25 in 1956 to 34 in 1959. Calcutta Chemicals employed 5 workers in its calcium lactate department.

4.2. The annual rated capacity of Sarabhai Chemicals is now 132 tons. It uses a part of its capacity for production of calcium sodium lactate and calcium lactophosphate which has steadily increased from 7.84 tons in 1957 to about 11.29 tons in 1959. The output of calcium lactate and its derivatives has progressively risen from 47.94 tons in 1957 to 92.99 tons in 1959, indicating utilization of about 70 per cent of its expanded capacity. Calcutta Chemicals has reported that there has been no change in its annual rated capacity but has represented that it should be taken as 49 tons for the production of calcium lactate conforming to I.P. specifications or 30 tons for calcium lactate of B.P. specifications. The Company has claimed that it produces calcium lactate of both B.P. and I.P. specifications as well as calcium sodium lactate and calcium lactophosphate. Its production of calcium lactate and its derivatives, however, is in small quantities, which utilises only about 10 per cent of its rated capacity. The following statement shows the annual rated capacity as reported at the last inquiry together with information regarding the present capacity and actual production of

calcium lactate, including its use for derivatives of the two units from 1957 to 1959 :—

		(In tons)				
		Annual rated capacity in 1957	Present annual rated capacity	Production		
				1957	1958	1959
1. Sarabhai Chemicals .		72	132	47.94	66.10	92.99
2. Calcutta Chemicals Co. Ltd.		30	49	4.95	5.02	4.54
3. Alembic Chemical Works		60	..	..	..	..
TOTAL		162	181	52.89	71.12	97.53

4.3. At the public inquiry we were informed that Calcutta Chemicals has a plan for the manufacture of lactic acid of about 5 tons per month. The Company has successfully carried out experiments on the pilot plant and after acquiring suitable plant and equipment it proposes to produce lactic acid of edible grade for indigenous consumption as well as for export. We understand that there is a sizeable demand in the country which is at present met by imports. Sarabhai Chemicals has also carried out experiments in this line but owing to various other commitments the firm is not in a position to envisage when it will go into production on a commercial scale.

5.1. At the time of the last inquiry the domestic demand for calcium lactate was placed at about 60 tons for 1957 and it was estimated to increase to about 75 tons in the next three years. In connection with the present inquiry, the Development Wing has stated that the current consumption is about 80 tons per annum. Sarabhai Chemicals has estimated the domestic consumption of calcium lactate at 95 tons in 1960-61. A reliable guide for assessment of domestic consumption is provided by the figures of sales of calcium lactate, its use for production of derivatives by producers and imports. The relevant figures which are given below indicate the growth of demand from 1957 to 1959 —

		(In tons)		
		1957	1958	1959
Sales		40.58	61.77	84.28
Self-consumption by producers for manu- facture of derivatives		9.41	12.20	13.25
Imports		24.20	11.75	0.25
TOTAL		74.19	85.72	97.78

5.2. It would appear that domestic consumption has risen by more than 10 tons per annum over the past three years. As regards demand in future, the Development Wing has stated that the use of calcium lactate for pharmaceutical purposes is on the decline but there are possibilities of calcium lactate being increasingly used for the production of calcium salts. The future demand for such production, however, cannot be assessed at present. Sarabhai Chemicals has estimated the future demand at about 110 tons in the next three years. The Indian Medical Association has envisaged an increase of 10 per cent per annum in future consumption of calcium lactate. The Indian Chemical Manufacturers' Association has stated that having regard to the extension of public health services on a more extensive scale in the years to come as well as the project of the two units to develop the manufacture of lactic acid, the demand for calcium lactate should continue to grow in future. At the public inquiry it was generally agreed that the domestic demand for calcium lactate has been increasing by about 10 tons per year and it is reasonable to assume that it will continue to grow at the same rate in the next three years. We, therefore, estimate that the demand for calcium lactate in the country is 105 tons for 1960 and will rise to 125 tons in 1962. However, when the project of Calcutta Chemicals to manufacture lactic acid materialises and it goes into regular production at the rate of 60 tons per annum, the demand for calcium lactate would rise to about 150 to 175 tons per annum. There is sufficient capacity in the country to meet the increase in indigenous demand and Sarabhai Chemicals has assured us that it is suitably equipped to meet the country's requirements of calcium lactate in full.

6.1. The principal raw materials required for the manufacture of calcium lactate are (i) jaggery or sugar and (ii) lime or calcium carbonate.

In addition, certain accessory chemicals like activated carbon, superphosphate, marmite, etc., are used as chemicals, filter-aids or nutrients.

Both producers have been using indigenous raw materials to the maximum extent possible. The value of such materials to the total value of materials used in the production of calcium lactate accounts for 95 per cent in the case of Sarabhai Chemicals and 85 per cent in the case of Calcutta Chemicals.

6.2. Sarabhai Chemicals is using jaggery while Calcutta Chemicals continues to use sugar as the main raw material. Sarabhai Chemicals has been experiencing difficulty in the purchase of jaggery of suitable quality because it is a seasonal product and the firm has been buying its requirements from the local market. It is, however, making necessary inquiries for obtaining supplies from the wholesale market. As regards the other important raw material, Sarabhai Chemicals uses slaked lime and Calcutta Chemicals uses imported calcium carbonate. Sarabhai Chemicals has now reported that it is getting its supplies of lime through Imperial Chemical Industries, and its quality is satisfactory. Calcutta Chemicals has stated that it has experienced difficulty in

obtaining its supplies of imported calcium carbonate owing to severe import restrictions. It has further stated that the quality of indigenous calcium carbonate is not suitable for the production of calcium lactate of B.P. specifications as it is not free from impurities.

(3. With regard to the accessory chemicals, Sarabhai Chemicals has reported that until about a year ago it was getting its requirements of activated carbon from imports. Now it has been buying this material from a local manufacturer, Narmada Valley Chemical Industries Private Ltd. It has found that the indigenous activated carbon does not meet its requirements in respect of decolorisation of calcium lactate liquor. This results in higher processing cost and loss on crystallisation of calcium lactate. Sarabhai Chemicals has pointed out that in spite of higher consumption of carbon the quality of the final product does not satisfy the appearance test fully because the final product does not become absolutely white and the material hold-up in the carbon cake is higher. At the public inquiry these matters were discussed and it was suggested that both Sarabhai Chemicals and Calcutta Chemicals should assist the manufacturing firms to improve the quality of indigenous activated carbon and calcium carbonate. They have assured us that they are doing everything possible in this direction and hope that the indigenous producers of the two materials will be in a position to improve their quality. Sarabhai Chemicals was using marmite which had to be imported. It has stated that it is now using sprouted green gram (mung) satisfactorily, thus obviating the necessity of importing marmite.

7.1. In the previous inquiry we had received complaints regarding the quality of calcium lactate produced by Sarabhai Chemicals particularly in regard to solubility and smell. As Sarabhai Chemicals was marketing its product as prepared according to B.P. standard whereas actually it conformed only to I.P. standard, we had recommended that Sarabhai Chemicals should mark its product as conforming to the I.P. specifications only until it was able to attain strict conformity with B.P. specifications as well. As stated earlier, Sarabhai Chemicals has been marking its product as conforming to I.P. standard. In connection with the present inquiry, Sarabhai Chemicals has informed us that it has a well equipped laboratory with facilities for testing raw materials as well as finished products. It has introduced quality control methods and intermediate process samples are subjected to quality control and they are analysed before further processing is done; every batch of calcium lactate is tested for all limits and standards set by different pharmacopoeia. Sarabhai Chemicals has intimated that it has received no complaints against the quality of its products. Calcutta Chemicals has stated that it has an analytical laboratory for testing raw materials and finished products and that it follows specifications laid down in British Pharmacopoeia and Indian Pharmacopoeia. It received a complaint about its packing but this defect has now been removed. The Development Wing has informed us that the indigenous product is suitable for medicinal purposes and conforms to I.P. specifications. Some parties, however, continue to complain about the unpleasant odour which the manufacturers have not so far been

able to remove. Among the consumers the Dean of the K. E. M. Hospital, Bombay, has stated that they are always using Sarabhai Chemicals' product. It now smells slightly less but its solubility seems to have decreased to some extent. Former batches used to dissolve (one in twenty solution) more easily at 30°C forming a hazy solution without any quick settling residue; but during recent testing not only did it form a hazy solution in the said dilution but slight residue settled down undissolved even after vigorous shaking. He has, therefore, expressed the view that there does not appear to be much improvement as regards the above requirements. The Director of Industries, Bombay State has stated that Glaxo Industries (India) Private Ltd., has reported that the quality of calcium lactate manufactured by Sarabhai Chemicals is found to conform to the required standards and the material compares favourably with the imported product.

7.2. The Director, Drugs Control Administration, Bombay has communicated that his Directorate has been collecting samples of calcium lactate from 1958. They have tested three samples in 1958 and four in 1959 of calcium lactate produced by Sarabhai Chemicals. Of these, one sample in 1959 was not of standard quality. At the public inquiry the representative of British Drug House informed us that his firm was buying calcium lactate from Sarabhai Chemicals for making tablets. He complained that the tablets go off colour within a short time and smell persists even after tablets are made. With regard to calcium lactate manufactured by Calcutta Chemicals, the Director of Industries, West Bengal has stated that its product is of high quality and there is no complaint from its consumers. At the public inquiry the consensus of opinion was that the quality of calcium lactate manufactured by Sarabhai Chemicals conformed to I.P. specifications but there was room for improvement. We, therefore, suggest that Sarabhai Chemicals should continue its endeavours to improve the quality of its product both in respect of its solubility and odour.

8.1. *Import control policy.*—Calcium lactate is covered by the broad group of "Drugs and Medicines" under serial number 109 of Part IV of the Import Trade Control Schedule. During January-June 1957 established importers were granted licences to the extent of 10 per cent of one half of their best year's imports of calcium lactate. Applications from actual users were also considered on an *ad hoc* basis. During each of the subsequent licensing periods upto March 1960, no licences were granted to established importers. However, applications from actual users were considered on an *ad hoc* basis.

8.2. *Imports.*—The following table shows the quantity and value of calcium lactate imported into India during 1957, 1958 and 1959 according to the monthly statistics relating to Foreign Trade of India :—

	1957	1958	1959
Quantity (tons)	24.20	11.75	0.25
Value (Rs.)	88,100	40,364	5,903

Australia, U.K. and China were the main countries from which calcium lactate has been imported during the above periods. Some quantity of calcium lactate was also imported from Netherlands. Imports of calcium lactate in 1959 were negligible.

8.3. *Exports.*—Sarabhai Chemicals has stated that during the past two years, it has been exploring the market for export of calcium lactate to neighbouring countries such as Burma, Pakistan and Ceylon. It has succeeded in exporting small quantities to these places.

9. Calcium lactate is at present assessed to duty under item No. 28(31) of the First Schedule to the Indian Tariff Act, 1934. The relevant extract is reproduced below :—

Item No.	Name of the article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The U.K.	A British colony	Burma	
28(31)	Calcium lactate						
	(a) of British manufacture.	Protective.	30% <i>ad valorem</i>.	..	..	10% <i>ad valorem</i>	31st December, 1960.
	(b) not of British manufacture.	Do.	40% <i>ad valorem</i>.	..	..	..	31st December, 1960.
	Provided that calcium lactate manufactured in British Colony shall be deemed to be of British manufacture.						

10. At the previous inquiry we had adopted the c.i.f. price of Rs. 1.03 per lb. of calcium lactate imported from China, which was then the cheapest source of supply, for the purpose of comparison with the fair ex-works price of the indigenous product. In connection with the present inquiry, we have received information regarding c.i.f. prices and landed costs of imported calcium lactate from the Collector of Customs, Bombay, an importer as well as from the Assistant Drugs Controller, Government of India, Bombay. A statement recording this information is given in Appendix III. Owing to restriction on import of

calcium lactate the latest quotation we could get was for May, 1959 which relates to import of calcium lactate from West Germany. In the absence of other reliable information we have adopted the c.i.f. price of calcium lactate imported from West Germany for the purpose of comparison with the fair ex-works price of the domestic product.

	per lb.
	Rs.
(i) C.i.f. price	2.30
(ii) Customs duty	0.92
(iii) Clearing charges	0.10
(iv) Landed cost with duty	3.32
(v) Landed cost without duty (iv)—(ii)	2.40

11.1. Sarabhai Chemicals, Baroda is the only large producer of calcium lactate and, it was, therefore, decided that the cost of production relating to this firm should be examined for the purpose of determining the quantum of protection. Our Cost Accounts Officer examined the actual cost of production of calcium lactate manufactured by Sarabhai Chemicals during the period from 1st April 1958 to 31st March 1959. During this period the firm produced 175,140 lbs. of calcium lactate, including the production of derivatives viz., calcium-sodium-lactate and calcium lactophosphate. This output represented the utilization of 60 per cent of the installed capacity. We discussed the costs worked out by the Cost Accounts Officer with the representatives of the Company and have framed the estimates of costs of production for future.

11.2. The output for future has been estimated at 110 tons or 246,400 lbs. which works out to about 83 per cent of the rated capacity. Since Sarabhai Chemicals has actually produced 92.99 tons during 1959 (January-December) its representatives agreed that if the present rate of increase in demand for calcium lactate is maintained there would be no difficulty in stepping up production to this level. The firm uses jaggery as its principal raw material. The conversion efficiency during the costed period was 42 per cent against 45 per cent. at the last inquiry. The company has attributed this drop in efficiency to the poor quality of jaggery, activated carbon, etc., and expects to improve it in future. We have, therefore, assumed a conversion efficiency of 46.4 per cent. for determining future costs. Suitable adjustments have been made under other elements of cost, taking into account the annual increments in salaries and wages, probable increase in the level of prices of stores and higher consumption due to increased production assumed for future. Depreciation has been allowed at the normal income-tax rates. Packing charges have been allowed at 40.1 naye paise per lb. on the basis of the actual expenses incurred by the Company. After taking into account the cost of additional equipment namely, Rs. 1,31,865 for expansion carried out since the last inquiry, a return

at the rate of 10 per cent has been allowed on capital employed, the element of working capital being estimated as equivalent to three months' cost of production.

11.3. As the firm desires that the details of its cost of production should be kept confidential the cost report is being forwarded to Government as a separate confidential enclosure to this Report. We are, however, giving below the relevant figures in a summarised form.

		(nP. per lb.)	
		Actual costs 1958-59	Estimated future cost
Production (in lbs.)	. . . . .	1,75,140	2,46,400
Materials	. . . . .	78.6	76.8
Conversion charges	. . . . .	101.3	86.3
Depreciation	. . . . .	14.0	7.4
Packing charges	. . . . .	40.1	40.1
		234.0	210.6
Return on capital	. . . . .	
Fair ex-works price	. . . . .		222.1 or Rs. 2.22

11.4. We do not consider it necessary to make any allowance for freight disadvantage as was done at the time of the last inquiry.

11.5. Sarabhai Chemicals has informed us that it enters into rate contracts with Director-General of Supplies and Disposals, New Delhi as well as with health authorities in different States, and the estimates of cost of production framed by us are sometimes taken as basis for fixing prices under rate contracts. We would like to make it clear that the estimates of costs are prepared by us for the limited purpose of determining the quantum of protection required by the industry. It would, in our view, be unfair to the firm if they are used for purposes of price fixation by purchasing authorities of the State and Central Governments.

12. The following statement gives a comparison of the estimated fair ex-works price of the indigenous product with the c.i.f. price and landed cost of the corresponding product :—

	Rs. per lb
(i) Works cost of production	2.11
(ii) Return at 10% on capital employed	0.11
(iii) Fair ex-works price	2.22

(iv) C. i. f. price	2.30
(v) Clearing charges	0.10
(vi) Landed cost without duty	2.40
(vii) Difference between fair ex-works price and landed cost without duty (iii)—(vi)	(—)0.18
(viii) The above difference as a percentage on c.i.f.	(—)7.8
Existing rate of duty	40%

13. It will be seen from the above comparison that the landed cost ex-duty of imported calcium lactate is higher than the fair ex-works price of the indigenous product and that the domestic industry has the advantage of about 7.8 per cent against its foreign competitors. On the basis of the comparison, it is evident that there is no case for continuance of protection. Actually the domestic industry has been protected more effectively by the severe restrictions on imports which have now reached almost a vanishing point. At the time of the last inquiry there was serious threat of low-priced imports from China but this has not materialised. Further having regard to the present balance of payments position we do not expect any relaxation of import control in the near future. The industry has achieved considerable progress. It meets the current domestic requirements of calcium lactate and its derivatives and is in a position to meet any likely rise in demand by increasing its output to the full installed capacity. The quality of the indigenous calcium lactate conforms to the I. P. specifications and is sold at prices which are reasonable. We are, therefore, of the opinion that the domestic industry is now well established and stands in no danger of unfair competition from products from any source. In view of these considerations we have come to conclusion that calcium lactate industry is no longer in need of tariff protection. We recommend, therefore, that protection granted to the industry need not be continued beyond 31st December 1960. With effect from 1st January 1961, Government may levy revenue duty at such level as is deemed necessary on fiscal considerations.

14. Our conclusions and recommendations are summarised below —
Summary of conclusions and recommendations

(i) There are at present only two producers of calcium lactate in the country, namely, Sarabhai Chemicals, Baroda and Calcutta Chemical Co. Ltd., Calcutta. Their aggregate annual rated capacity is 181 tons and production was 52.89 tons in 1957, 71.12 tons in 1958 and 97.53 tons in 1959.

[Paragraphs 4.1 & 4.2]

(ii) The demand for calcium lactate in the country is estimated at 105 tons for 1960. It will rise to 125 tons in 1962. However, when the project of Calcutta Chemicals to manufacture lactic acid materialises and it goes into regular production at the rate of 60 tons per annum,

the demand for calcium lactate would rise to about 150 to 175 tons per annum. There is sufficient capacity in the country to meet the increase in indigenous demand.

[Paragraph 5.2]

(iii) The quality of calcium lactate manufactured by Sarabhai Chemicals conforms to I. P. specifications but there is room for improvement.

[Paragraph 7.2]

(iv) Protection granted to the calcium lactate industry need not be continued beyond 31st December 1960. With effect from 1st January, 1961 Government may levy revenue duty at such level as is deemed necessary on fiscal considerations.

[Paragraph 13]

15. We wish to thank the representatives of producers, importers and consumers for their co-operation in conducting this inquiry.

Acknowledgements

S. K. MURANJAN,
Member.

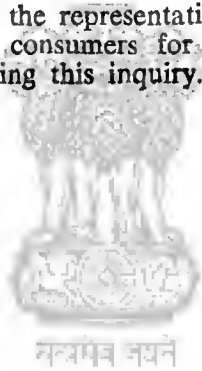
J. N. DUTTA,
Member.

R. S. BHATT,
Member.

RAMA VARMA,
Secretary.

BOMBAY;

Dated 5th May, 1960.



APPENDIX I

(Vide paragraph 21)

List of persons, associations and others to whom the Commissions questionnaires and/or letters were issued and from whom replies or memoranda were received

*Indicates those who replied.

†Indicates those who are not interested.

(A) Producers

- *1. Sarabhai Chemicals, Post Box 31, Wadi Wadi, Baroda.
- *2. The Calcutta Chemical Co. Ltd., 35, Panditia Road, Calcutta-29.
- †3. Alembic Chemical Works Co. Ltd., Baroda-3.

(B) Importers

- †1. The Anglo-French Drug Co. (Eastern) Private Ltd., 24/26, Tardeo Road, Bombay-7.
- *2. The Anglo-Thai Corporation Ltd., Ewart House, Bruce Street, P. O. Box No. 70, Bombay-1.
- *3. British Drug Houses (India) Private Ltd., Imperial Chemical House, Graham Road, P. O. Box No. 1341, Bombay-1.
- †4. Biddle Sawyer and Co. (India) Private Ltd., 25, Dalal Street, Fort, Bombay-1.
- †5. Burroughs Wellcome & Co. (India) Private Ltd., 16, Bank Street, Bombay-1.
- *6. Glaxo Laboratories (India) Private Ltd., Worli, Bombay-18.
- †7. K. A. Zaveri & Co., 89, Princess Street, Bombay-2.
- 8. Lavchand Varajdas & Co., Princess Street, Bombay-2.

(C) Consumers

- *1. Indian Medical Association, "Shri Nivas", Sardar V. Patel Road, Bombay-4.
- 2. Government General Hospital, Madras.
- *3. Government Medical Store Depot, Byculla, Bombay.
- *4. K. E. M. Hospital, Parel, Bombay-12.
- *5. St. George's Hospital, Frere Road, Bombay.
- *6. Government of West Bengal, Office of the Surgeon Superintendent, S. S. Karnani Memorial Hospital, Calcutta.
- *7. The Superintendent, S.C.B. Medical College Hospital, Cuttack, Orissa.
- 8. Khandelwal Laboratories Ltd., 78/87, Kalachowki Road, Bombay-12.
- *9. Zandu Pharmaceutical Works Ltd., Gokhale Road South, Bombay-28.

(D) Association

- *Indian Chemical Manufacturers' Association, India Exchange, India Exchange Place, Calcutta-1.

(E) Government Departments

- *1. The Senior Industrial Adviser, Development Wing, Ministry of Commerce and Industry, Udyog Bhavan, King Edward Road, New Delhi.
- 2. The Drugs Controller of India, Directorate General of Health Services, Ministry of Health, New Delhi.
- *3. The Director, Drugs Control Administration, Bombay State, 127, Mahatma Gandhi Road, Bombay-1.
- 4. The Drug Licensing Officer, Directorate of Health Services, Drug Section, Mitra Building, 8, Lyons Range, Calcutta-1.
- *5. The Director, Central Drug Research Institute, Chatter Manzil Palace, Lucknow.
- *6. The Collector of Customs, Bombay.
- *7. The Collector of Customs, Calcutta.
- *8. The Collector of Customs, Madras.
- *9. The Collector of Customs, Cochin.
- *10. Director of Industries and Statistics Authority, Government of Bombay, Queen's Barracks No. 11, Foreshore Road, Bombay-1.
- *11. Director of Industries, Government of West Bengal, New Secretariat Buildings, 1, Hastings Street (9th floor), Calcutta-1.

(F) State Governments

- 1. The Chief Secretary to the Government of Assam, Shillong.
- 2. The Chief Secretary to the Government of Uttar Pradesh, Lucknow.
- 3. The Chief Secretary to the Government of Bihar, Patna.
- 4. The Chief Secretary to the Government of Orissa, Bhubaneswar.
- 5. The Chief Secretary to the Government of Kerala, Trivandrum.
- *6. The Chief Secretary to the Government of Punjab, Chandigarh.
- *7. The Chief Secretary to the Government of Andhra Pradesh, Hyderabad.
- †8. The Chief Secretary to the Government of Madras, Madras.
- 9. The Chief Secretary to the Government of Madhya Pradesh, Bhopal.
- 10. The Chief Secretary to the Government of Rajasthan, Jaipur.
- 11. The Chief Secretary to the Government of Jammu & Kashmir, Srinagar.
- 12. The Chief Secretary to the Government of Mysore, Bangalore.
- 13. The Chief Secretary to the Government of Bombay, Bombay.
- 14. The Chief Secretary to the Government of West Bengal, Calcutta.
- 15. The Chief Commissioner, Delhi, Delhi.
- 16. The Chief Commissioner, Himachal Pradesh, Simla.

APPENDIX II

(Vide paragraph 2.2)

*List of persons who attended the Commission's public inquiry on
25 th March, 1960*

Producers

1. Shri P. V. Kale .	}	Representing	Sarabhai Chemicals, Post Box 31, Wadi Wadi, Baroda.
2. Shri M. R. Raman .			
3. Shri Shreeniwasan .			
4. Shri C. V. S. Narayan .			
5. Shri J. C. Das Gupta .	.	Do.	The Calcutta Chemical Co. Ltd., 35, Panditia Road, Calcutta-29.

Importers

1. Dr. S. K. Munshi .	Do.	British Drug Houses (India), Pvt. Ltd., Imperial Chemical House, Graham Road, Bom- bay-1.
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Consumers

1. Shri M. V. Garde .	Do.	K.E.M. Hospital, Parcel, Bom- bay-12.
2. Shri K. B. P. Pisharoty .	Do.	Government Medical Store De- pot, Byculia, Bombay.

Association

1. Shri V. N. Shah .	Do.	Indian Chemical Manufacturers' Association, India Exchange Place, Calcutta-1.
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Government Departments

1. Shri B. L. Naik .	Do.	Directorate General of Health Services, Ministry of Health, New Delhi.
2. Shri S. C. Shah .	Do.	Directorate of Drugs Control Administration, Bombay State, 127, Mahatma Gandhi Road, Bombay-1.
3. Shri M. V. Pandit .	}	Do. Director of Industries, Govern- ment of Bombay, Bombay.
4. Dr. J. D. Joshi .		
5. Shri R. M. Punwani .	Do.	Collector of Customs, Bombay.

APPENDIX III

(Vide paragraph 10)
Statement showing the c. i. f. prices, customs duty, clearing charges and 1

Sl. No.	Source of information	Origin of import	Date of import	Type and specification	C.i.f. price	Rs.
1	Collector of Customs, Bombay.	Australia	14-11-58	Calcium Lactate tablets.	3.17	Pi
		W. Germany	22-5-59	Calcium Lactate Soluble.	2.31	
2	Anglo-Thai Corporation, Bombay.	U.K.	Nov.'57	Calcium Lactate B.P.	1.75	
3	Assistant-Drugs Controller, India, Bombay.	U.K.	Mar.'58	Calcium Lactate	1.95	
		China	Do.	Do.	1.22	
		Holland	April'58	Do.	1.06	
		W. Germany	May'59	Do.	2.30	

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Imported calcium lactate (Per lb.)	Landed cost	Remarks
	Rs.	Imported by U. N. Children Fund.
	3.33	
	2.42	
	2.64	
	1.81	
	1.58	
	3.32	